

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority (“Authority”) was held on Tuesday, April 12, 2022, at 10:00 am.

The Authority made available a video link for guest presenters and a telephone number for anyone who wanted to listen to the meeting. The phone number was provided to those who requested access by 4:00 pm Monday, April 11, 2022.

These are the minutes of the meeting.

Members present:

Jim Simon, Chairman
Michael Curtin
Cara Brook

Ex-Officio members present:

Gene Phillips, Ohio Department of Health

Members present remotely:

Michael Keenan, Vice Chairman

Ex-Officio members present remotely:

Laura Factor, Ohio EPA

Staff present:

Christina O’Keeffe, Executive Director
Brooke Grant, Manager of Planning and Projects
Sandra Langston, Administrative Manager
Dawn Pertner, Fiscal Officer
Gabriel Lorenz, Customer Service Coordinator
Joseph Mechling, Program Assistant

General Counsel:

Thad Boggs, Frost Brown Todd

Staff present remotely:

Laura Klein, Program Coordinator

The following guests were present remotely:

Guest present:

John Kirschner, GB Solutions
Bob Lucas, Duke Energy
Jim Schultz, Huntington Bank
Mary Sullivan, Dinsmore & Shohl
Zac Morris, Rea & Associates
Danny Sklenicka, Rea & Associates
Chris Connelly, Taft Stettinius & Hollister
Dave Umpleby, Taft Stettinius & Hollister

Stephen Sparks, Frost Brown Todd
Blake Beachler, Calfee, Halter & Griswold
Daniel May, Bricker & Eckler
Leah Hooks, Inspire PR
Jay Sweeney, Morgan Stanley
Natalia Rodriguez, Morgan Stanley
Phil Muldoon, TE Fusion Group
Chris Bauer, Duke Energy Corporation
Jennifer Rosenkranz, Boose Chevrolet Company
Paige Reichard, Boose Chevrolet Company
Jim Jones, Jamland
James Crawford, Taft Stettinius & Hollister
Steve Smith, Frost Brown Todd

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Chapter 3706-1 of the Ohio Administrative Code.

Chairman Simon called the meeting to order at 10:00 AM.

1. The Chairman welcomed everyone. He stated that due to legislation that was recently passed, the Authority is able to have board members participate and vote remotely.

Roll call of Authority Members:

Chairman Simon: Present

Vice-chairman Keenan: Present

Member Curtin: Present

Member Brook: Present

Member Factor: Present

Member Phillips: Present

General Counsel Boggs confirmed compliance with the Open Meetings Act, that a quorum of six members was present and that it remained an open, public meeting. Mr. Boggs confirmed the meeting was fully in compliance with state law. Under the authority granted by HB 51, the Authority can conduct meetings remotely. A roll call vote should be taken for each item that requires a vote.

Chairman Simon asked Gabe Lorenz to provide an overview of Microsoft Teams functions for the benefit of the virtual attendees. Ms. Langston facilitated the introduction of guests present in person and those attending virtually.

Chairman Simon stated that the Authority would be explicit on which item was on the table for discussion or vote, and that he would recognize members and guests by name and title during discussions or ask them to introduce themselves. He mentioned that the roll call vote for resolution would be taken in random order.

2. Minutes – Regular business meeting March 8, 2022.

Member Curtin moved for approval of the minutes. Member Phillips seconded.

Roll call vote:

Member Brook: Yes

Member Phillips: Yes

Chairman Simon: Yes

Member Curtin: Yes

Member Factor: Yes

Vice-chairman Keenan: Yes

Motion passed unanimously. Minutes adopted.

A resolution authorizing the issuance and sale of a maximum aggregate principal amount of \$402,000,000 State of Ohio Air Quality Development Revenue Refunding Bonds (Duke Energy Corporation Project) of the State of Ohio for the purpose of making a loan to assist Duke Energy Corporation in refunding certain outstanding air quality development revenue bonds or portions thereof in the aggregate principal amount of \$402,000,000 which were issued for the purpose of making loans to assist in the financing or refinancing of a portion of the costs of “Air Quality Facilities” within the meaning of Chapter 3706, Ohio Revised Code; providing for the pledge of revenues for the payment of those bonds; authorizing the use and distribution of a preliminary official statement, if necessary or desirable, and the execution, use and distribution of a final official statement; authorizing the acceptance of letters of representation and the execution and delivery of bond purchase agreements, a trust indenture and a loan agreement; and authorizing and approving related matters.

Director O’Keeffe introduced the resolution and stated the Duke Energy Corporation is requesting a refunding of eight bond issuances totaling \$402 million that were previously issued by OAQDA. The bonds are scheduled for sale on May 24 and the closing is scheduled for June 2. She welcomed Mr. Bob Lucas of Duke Energy to present on the project.

Mr. Lucas thanked the Board and Director for the opportunity to present. Duke Energy Corporation is the holding company of Duke Energy Ohio and other utility subsidiaries. Duke Energy is committed to their net zero carbon goals, which is to reduce carbon dioxide emissions by 50% by 2030 and by 100% by 2050. Duke Energy of Ohio bought all \$402 million of bonds and in doing so, it triggered a Mandatory Tender. The tax-exempt bonds have been owned by Duke Energy since 2014. By refunding the bonds, it allows them to remain tax-exempt.

Chairman Simon asked where the company is headquartered. Mr. Lucas replied in the Cincinnati area.

Vice Chairman Keenan inquired about the financial savings the company will receive based on this transaction. Mr. Chris Bauer, Duke’s Director of Corporate Financing stated that due to rising interest rates, the company will realize about 40-50 basis points in savings. Vice-Chairman Keenan wondered if the savings offset transaction costs. Mr. Bauer confirmed yes.

Vice-Chairman Keenan wanted to know if refunding the bonds is a requirement. The company responded that it is not a requirement but will realize savings in approximately \$100,000 per year.

Member Brook wondered if Duke Energy assets, such as former coal plants, could be reengineered for the benefit of local communities such as the possible conversion to hydrogen or other clean fuel resources. Mr. Lucas stated that Duke Energy and other energy companies have various net zero carbon goals and that one of the conditions of those goals is the use of new technologies, most of which are still in development. He did note that Duke Energy no longer owns the facilities in Ohio. Member Brook asks if it is possible for these facilities to be able to

be converted from coal to hydrogen. Mr. Lucas responds that the technology to do so is still in its infancy relative to being able to produce energy on a large scale. He stated that the conversion of coal plants to natural gas plants has been much easier.

Chairman Simon requested confirmation that the bonds can continue to receive tax-exemption through OAQDA. General Counsel Boggs explained that the statute provides for the Authority to issue refunding bonds and deferred to issuer's counsel, Mary Sullivan from Dinsmore & Shohl. Ms. Sullivan stated that in working with Taft Law, they can confirm under a federal statute that the new bonds will take the place of the prior bonds, and will receive tax benefits of the prior bonds. Also, under Ohio Law, OAQDA does in fact, have the ability to issue refunding bonds.

Vice-Chairman Keenan moved to approve Resolution 22-16. Member Brook seconded.

Roll call vote:

Chairman Simon: Yes
Member Brook: Yes
Member Phillips: Yes
Member Curtin: Yes
Member Factor: Yes
Vice-Chairman Keenan: Yes

Motion passed. Resolution adopted.

4. Resolution 22-14 (CARC)

Boose Chevrolet dba Reichard Chevrolet

A resolution authorizing the issuance of not to exceed \$150,000 Air Quality Revenue Bonds of the State of Ohio in order to assist Boose Chevrolet Co. dba Reichard Chevrolet in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

Director O'Keeffe introduced the resolution for Boose Chevrolet. The Company plans to install a new spray paint booth to support its business growth and will result in the creation of two new jobs. She introduced Ms. Jennifer Rosenkranz to present on the project.

Ms. Rosenkranz explained that the dealership was purchased from the Boose family six years ago. They are in a community-centered, agricultural community, which they remain active by sponsoring many little leagues, 4H, boy scouts, and other organizations. They have donated their time and knowledge to students in the auto body curriculum and have provided monetary support to organizations that helped in the tornado disaster relief in 2019.

The project includes the installation of a new, energy efficient spray booth that will replace an older model from the 1980s. The new booth will aide in employee retention and will help

Reichard hire more employees due to increased production. Furthermore, employee health will be improved by the new booth's ability to exhaust harmful paint fumes more effectively. She thanked OAQDA for its assistance.

Chairman Simon inquired about how they learned about OAQDA. Ms. Rosenkranz replied while working with Midwest Spray Booths.

Member Brook moved to approve Resolution 22-14. Member Phillips seconded.

Roll call vote:

Member Phillips: Yes
Member Factor: Yes
Vice-Chairman Keenan: Yes
Member Brook: Yes
Chairman Simon: Yes
Member Curtin: Yes

Motion passed unanimously. Resolution adopted.

5. Resolution 22-15 (CARC)

Boose Chevrolet dba Reichard Chevrolet

A resolution that approves grant assistance not to exceed \$20,000 from the Small Business Assistance Fund to Boose Chevrolet dba Reichard Chevrolet for the purpose related to the eligible portions of the financing approved through Resolution 22-14.

Member Curtin moved to approve Resolution 22-14. Member Brook seconded.

Roll call vote:

Vice-Chairman Keenan: Yes
Member Curtin: Yes
Member Brook: Yes
Member Phillips: Yes
Chairman Simon: Yes
Member Factor: Yes

Motion passed unanimously. Resolution adopted.

6. Resolution 22-17 (CAIP- Inducement)

JAMLAND2, LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of Air Quality Facilities for the use of Jamland2, LLC.

Director O’Keeffe introduced this Resolution and mentioned the subsequent Resolution on the agenda are related to the same project. This Resolution is an inducement for energy efficiency improvements. JAM is being relocated from NW Ohio and SE Michigan and consolidating more of its business under one roof. There are two different lenders involved, Signature Bank and a capital provide for PACE (property assessed clean energy), which the company is working to confirm. She introduced CEO, Mr. James “Jim” Jones.

Mr. Jones is owner of Jamland, which is a tire dealer for large trucks and tractor-trailers and was created in 2003. They currently have a total of 17 industrial locations, 10 of which are commercial centers, five are industrial service centers and the other two are mounted wheel divisions. These 17 locations are scattered throughout Ohio, Indiana and Michigan. The company has 172 employees and has \$50 million in annual sales. In 2019, they were granted a BANDAG Retread Truck Tire facility, and they were able to produce just shy of 30,000 tires in 2021.

In focusing on the project request, Mr. Jones explained the company purchased an abandoned, 124,000 sq. ft factory in 2021 with plans to move many of their operations into the facility in May 2022. The building upgrades will be performed in phases with final in 2023. At completion, the facility will serve as the Corporate Headquarters for 70-85 employees, house a 60,000-unit BANDAG plant, and become the main distribution center for commercial and training.

Member Curtin inquired about the comparison between the current number of employees and the projected number of 70-85 employees. Mr. Jones replied they currently have 15 plant employees, which will increase to 20-25; in the corporate office, there are about nine, who will be consolidated under one roof with other office employees scattered throughout various locations. The staff located at the mounted wheel divisions in Dearborn and Roseville, Michigan will all be brought to Toledo, which will add between 20 to 25 employees. There currently have 40 to 45 employees in Toledo.

Vice-Chairman Keenan wanted to know what portions of the project are potentially exempt from sales & use taxes. Director O’Keeffe stated that the Authority estimated the benefits based on the project costs. The Authority recognizes that there could be some costs within the budget that would not normally be subject to sales & use tax, but utilizes this more conservative approach at this point in the process.

Vice-Chairman Keenan inquired about the number of locations in Ohio. Mr. Jones replied there are five. The majority of their locations and employees are in Michigan.

Member Brook moved to approve Resolution 22-17. Vice-Chairman Keenan seconded.

Roll call vote:

Member Factor: Yes

Vice-chairman Keenan: Yes

Member Brook: Yes

Chairman Simon: Yes
Member Curtin: Yes
Member Phillips: Yes

Motion passed unanimously. Resolution adopted.

7. Resolution 22-18 (CAIP- Inducement) JAMLAND2, LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of Air Quality Facilities for the use of Jamland2, LLC.

Member Curtin moved to approve Resolution 22-18. Member Brook seconded.

Roll call vote:

Member Brook: Yes
Chairman Simon: Yes
Member Phillips: Yes
Member Curtin: Yes
Vice-Chairman Keenan: Yes
Member Factor: Yes

Motion passed unanimously. Resolution adopted.

8. Resolution 22-19 (Administrative) OAQDA Vision Statement

A resolution approving a vision statement for OAQDA.

Director O’Keeffe introduced this Resolution which will adopt the vision statement for OAQDA. She reminded members that discussion was held during the February 2022 meeting, received positive feedback, and there was general consensus on the use of the statement. This vision statement is “Position Ohio as a leader in harmonizing a strong economy and a healthy environment.”

Member Brook moved to approve Resolution 22-19. Member Phillips seconded.

Roll call vote.

Chairman Simon: Yes
Member Brook: Yes
Member Curtin: Yes
Member Phillips: Yes
Member Factor: Yes
Vice-chairman Keenan: Yes

Motion passed unanimously. Resolution adopted.

9. Resolution 22-20 (Administrative)

Education and Professional Development

A resolution authorizing educational and professional development expenses for personnel.

Director O’Keeffe introduced this Resolution for educational and professional expenses for personnel. OAQDA budgeted for these expenses during the current year, and this resolution will provide approval for the expenditures. Upcoming trainings are focused on increasing knowledge on ESG (Environmental, Social, and Governance) as an emerging opportunity for OAQDA. This Resolution also includes approval for certain OAQDA staff to access to a professional coach for skill development.

Vice-Chairman Keenan asked if the Authority has passed similar resolutions in the past, and if so, is this a request that will need to be voted on every year. Chairman Simon stated that this Resolution is to define the specific amounts that provides authority to the Executive Director, and it also includes the professional development coaching that is new from previous resolutions. Director O’Keeffe added that resolutions for these types of expenses are typically done for the current year and consistent with the budget.

Member Curtin moved to approve Resolution 22-20. Member Brook seconded.

Roll call vote:

Member Phillips: Yes

Member Brook: Yes

Chairman Simon: Yes

Member Curtin: Yes

Vice-chairman Keenan: Yes

Member Factor: Yes

Motion passed unanimously. Resolution adopted.

Audit Presentation

Zac Morris, Rea & Associates

Director O’Keeffe introduced Mr. Morris with Rea & Associates, who conducted the 2021 OAQDA financial audit.

Mr. Morris thanked the Authority for the opportunity to present and stated that the audit process was smooth. He commented that there is a clean opinion on the financial statements. There are no findings over internal compliance or controls and no management letter. One note is the Solar Generation Fund is now presented as a major fund in the financial statements. He stated the “Report to those Charged with Governance” contains all the information auditors are required to provide to the board. There were no disagreements with management and recognized their efforts to provide timely and complete information for the ability to conduct

the audit. Mr. Morris also thanked the Authority members for the opportunity to work with the agency.

Chairman Simon thanked Rea & Associates for their work and recognized Ms. Dawn Pertner for her exceptional effort on handling the finances of the agency. Vice-Chairman Keenan asked Director O’Keeffe if there will be any changes in the firm handling audits in the future. Director O’Keeffe responded that the Authority is in the final year of the contract with Rea & Associates and is working through next steps on the request with the Auditor of State.

10. Executive Director’s Report

Christina O’Keeffe

Director O’Keeffe started off her report with a program update. The Authority continues to receive many inquiries for the CAIP program which is anticipated to translate into more applications. A Request for Proposal (RFP) for a Market Needs Assessment was distributed on March 16 and will close on April 18. She also noted the first payments are being issued from the Solar Generation Fund.

Next, Director O’Keeffe shared information from the Opportunities for Ohioans with Disabilities (OOD) which has a vocational apprenticeship program focused on diversity and inclusion within employment at the state. OOD works with other state agencies on aligning their needs with potential candidates with disabilities that can be employed to handle the work. OOD provides the funding for the positions, and each state agency can utilize an apprentice for up to 1,000 hours. OAQDA has recognized the need for additional fiscal assistance in support of Ms. Dawn Pertner in her position. Last fall, the Authority had issued an RFP for a bookkeeper; however, the Authority did not receive adequate responses. Participating in this program appears to be a win-win, as this will not only help the Authority, but also provide opportunities for these individuals. Chairman Simon believes that this would be a fantastic opportunity for the Authority.

Director O’Keeffe then provided an update on the project to design and build an electronic database. The Authority has been working with the Department of Administrative Services (DAS), but the process has been stalled for several months due to negotiations with agreements with the vendors, specifically related to insurance requirements for cybersecurity. The Authority is incurring additional administrative burden as a result of this delay and the team has a desire to move forward.

In further explanation on the electronic database project, the Director referenced a memo from Ms. Sandra Langston, who is the project manager, and explained two options with a recommendation. The first is to wait through the continued delay for DAS to work through the contract process with the vendors. The second option is that the Authority can proceed with the vendor, iTech, who is currently selected to build the database working with DAS, which was mentioned as an option by the technical team with the state and the preferred approach by the project team. In that option, iTech is prepared to start building the database the week of April 18, but the database would later be migrated on to the State’s platform. There could be costs associated with the migration, although the upfront costs are less expensive without the additional vendors involved with the state.

Vice-Chairman Keenan shared his experience with the current challenges of cybersecurity insurance and a concern as it relates to migrating data with a preference to wait for the State. Director O’Keeffe explained that DAS had waived the requirement for vendors to obtain the higher insurance coverage for cybersecurity and the delay is due to a disagreement with the legal language in the contracts. Chairman Simon believed it might be best to keep the project on hold for another month and check-in at the May board meeting on the project status. Director O’Keeffe agreed.

Director O’Keeffe shared several administrative updates. The staff held an in-person quarterly training event in March that went very well. The monthly financial reports from March are in BoardEffect and have been shared with the board members. Director O’Keeffe reminded Members of their obligations with financial disclosures and reports must be filed by the deadline of May 16.

In marketing and communications updates, Director O’Keeffe shared an article in the Cincinnati Business Courier on the 3660 Michigan Ave project, which is the efficiently designed whole-building approved in March. That article prompted several inquiries from other interested developers, which the team is following up to address. In addition, she has stakeholder meetings scheduled with JobsOhio, including on May 12, to provide an overview of the Authority. There have been additional stakeholder meetings, such as with the Cleveland District 2030, a non-profit organization working with building owners in city’s downtown area. In May, the Authority will be celebrating Small Business Week and Air Quality Awareness Week from May 2-6 by conducting site visits and ribbon-cutting events to showcase CARC projects. That same week, the Authority will be launching the OAQDA blog on the new website.

Lastly, the Director presented the 2021 Annual Report, entitled “Cleaner Air, Greater Opportunities.” It is on track to be released on April 20. She asked Mr. Lorenz to give a preview, and he highlighted prominent features and sections of the report. He also demonstrated the proposed software to present the Annual Report electronically on the website. Chairman Simon thanked Mr. Lorenz for his hard work.

11. Resolution 22-21 9Administrative)

OAQDA 2021 Annual Report Publication

A resolution authorizing expenses related to the 2021 annual report.

Director O’Keeffe introduced this resolution for the approval of costs associated with the publication of the 2021 annual report. The expenditures include an amount not to exceed \$1,200 for the printing of copies of the Annual Report that will be distributed to members of the General Assembly as well as \$1,070 for software to present the report in a more accessible on the OAQDA website.

Member Brook moved to approve Resolution 22-21. Vice-Chairman Keenan seconded.

Roll call vote:

Vice-Chairman Keenan: Yes

Member Phillips: Yes

Member Brook: Yes

Chairman Simon: Yes

Member Curtin: Yes

Member Factor: Yes

Motion passed unanimously. Resolution adopted.

Vice-Chairman Keenan commented on the meetings that Director O’Keeffe is having with JobsOhio and remarked on the potential opportunities for OAQDA, such as identifying areas of collaboration including on the Intel project in New Albany. He asked Director O’Keeffe if she could provide a summary of the meeting.

Member Brook shared that she was able to attend a White House Interagency Meeting on coal-impacted communities in Charleston, WV. The meeting was called by Senator Joe Manchin and Secretary of Energy, Jennifer Granholm for the purpose of discussing ways of transitioning Appalachian communities away from coal. The meeting featured key industry players, who have been transitioning coal facilities to use cleaner energy. Member Brook thinks it is something OAQDA might have a role especially based on the new OAQDA vision statement.

Member Curtin noted that as collaboration is being explored with JobsOhio, OAQDA should keep in mind that the agencies are different as it relates to transparency. Member Curtin thinks OAQDA should be mindful of this point to not become less transparent to the public in certain projects because of the relationship with JobsOhio. Chairman Simon stated the Authority will see how things progress as it moves from conceptual discussions to more concrete implementation steps in working with JobsOhio. Director O’Keeffe added that it will continue to maintain its standards for transparency with any of the projects referred from JobsOhio, as it normally would do on coordination with general counsel. An initial desired outcome from the discussions with JobsOhio is an increase in the number of referrals, and she commented that Member Curtin and the rest of the Board will be updated as more project opportunities are identified.

12. Adjournment

Meeting adjourned at 11:22 AM.